



# **SCRS Member Handbook**

**SC**

## **Retirement Systems**

**July 2003**

# Table of Contents

<b>General Information .....</b>	<b>1</b>
Membership .....	1
State ORP Eligibility .....	1
Correlated Systems .....	2
Contribution Rates .....	2
Minimum Service Requirement .....	2
Leaving Before Retirement .....	3
Refund of Contributions .....	3
Group Life Insurance .....	3
Active Membership Group Life Insurance Benefit.....	4
In-Service Death .....	4
Beneficiaries .....	5
<b>Establishing Service Credit .....</b>	<b>5</b>
Descriptions of Types of Service .....	5
Convert Class I to Class II .....	5
Public Service .....	6
Educational Service .....	6
Military Service .....	6
Leave of Absence .....	7
Workers' Compensation .....	7
Previously Withdrawn Service .....	7
Non-Qualified Service .....	8
State ORP Service.....	8
Special Monthly Contributor .....	8
<b>Service Retirement .....</b>	<b>8</b>
When to Apply .....	8
Eligibility .....	9
TERI Program .....	10
Service Retirement Option A Annuity Formula .....	11
Unused Leave At Retirement .....	12
Annual Leave .....	12
Sick Leave .....	12
Your Average Final Compensation .....	12
Approximate Percentages of Average Final Compensation .....	13
Approximate Option A Monthly Annuity at Retirement .....	14
Payment Plans at Retirement .....	14
<b>Disability Retirement Information .....</b>	<b>16</b>
<b>Post-Retirement Information .....</b>	<b>16</b>
Retirement Checks .....	16
Returning to Covered Employment .....	17
Cost-of-Living Adjustments .....	18
Retiree Group Life Insurance .....	18
Beneficiary and Option Changes .....	18
Taxes .....	19

The information in this handbook is meant to serve as a guide, but does not constitute a binding representation of the South Carolina Retirement Systems. The statutes governing the South Carolina Retirement Systems are found in Title 9 of the South Carolina Code of Laws, and should there be any conflict between this handbook and the statutes, the statutes will prevail. Because state statutes are subject to change by the General Assembly, please contact us for the most current information.

# General Information

This handbook provides a general introduction to the South Carolina Retirement System (SCRS) and its benefits. Membership includes public school employees, public higher education personnel, state employees, and employees of participating cities, counties, and other local subdivisions. SCRS provides service and disability retirement, deferred annuities, and survivor annuities. State agencies and public school districts are required to provide Group Life Insurance coverage to employees. Other employers may elect to provide this coverage.

If you are a State Optional Retirement Program (State ORP) member, the SCRS retirement annuity information in this handbook (formula, sick leave, annual leave, etc.) does not apply to you. Contact your individual vendor for information about your State ORP retirement annuity.

## Membership

**Permanent, full-time and part-time employees must join unless specifically exempted by statute.** Temporary employees may choose whether to join. Membership starts with your effective date of employment. You must continue membership if you have contributions on deposit from previous employment.

**An active member is actively employed, earning service credit, and making regular contributions to an SCRS retirement account. You must be an active member to receive most of the benefits outlined in this handbook.**

As an active member you will receive a member statement each year that reflects your employee contributions and interest, service credit, and retirement account beneficiaries.

## State ORP Eligibility

If you were hired after June 30, 2003, and are otherwise eligible for SCRS membership, you may elect membership in the State ORP in lieu of SCRS membership. Election of State ORP mem-

bership must be made within 30 days of your date of hire. Please refer to the *Select Your Retirement Plan* brochure available from your employer or the Retirement Systems for more information.

## Correlated Systems

SCRS, PORS (Police Officers Retirement System), and GARS (General Assembly Retirement System) are correlated systems. If you have contributions in more than one of these retirement systems, your service credit is maintained separately within each system; however, your service credit is added together to determine your eligibility for retirement benefits. The 12 highest consecutive quarters of earnable compensation in SCRS or PORS are typically used to calculate your SCRS and PORS retirement annuities unless the service is concurrent (earned at the same time). If you have contributions in a GARS retirement account, contact the Retirement Systems for information on determining your retirement annuity.

## Contribution Rates

You contribute a tax-deferred 6 percent of gross pay into your SCRS retirement account. If you have not retired, your account earns 6 percent interest compounded annually on your balance as of the previous June 30th. If you are a Teacher and Employee Retention Incentive (TERI) program participant, you make no employee contributions and your deferred retirement annuity does not earn interest during your TERI period.

## Minimum Service Requirement

SCRS members must have five years of earned service (paid employment as an employee during which regular contributions are paid to the system) to be eligible to receive a service or disability retirement annuity, or to qualify a survivor for a monthly annuity after an in-service death. This requirement does not apply to disability retirement eligibility if the disability is the result of a job-related injury.

## Leaving Before Retirement

If you terminate employment, you may choose to have the funds paid directly to you, roll over the funds into an Individual Retirement Account (IRA), a 401(k) plan, a 401(a) eligible plan, a 403(b) plan, or a 457 plan, or leave your contributions in your retirement account to continue to accrue interest. If you terminate employment with at least five years of earned service and leave your contributions in your account, you will be eligible to receive a reduced deferred annuity at age 60.

## Refund of Contributions

If you terminate employment, you may request a refund of your employee contributions plus interest, but you forfeit your rights to any future service retirement or disability annuity. You are not required to withdraw your contributions and interest at termination. Employer contributions are not refunded.

By law, there is a minimum 90-day waiting period from your date of termination until a refund can be made. If you are working for two or more covered employers and/or contributing to more than one retirement account (i.e., working two jobs and paying into an SCRS and a PORS account), you must stop working in all correlated systems to request a refund from any account.

The Retirement Systems must withhold federal taxes of 20 percent on any portion of your taxable refund not transferred directly into another qualified retirement plan. Other taxes may apply as well. Check with an accountant or tax advisor regarding your tax liability.

## Group Life Insurance

State agencies and public school districts are required to provide Group Life Insurance to employees. The coverage is optional for other employers. If an employer provides Group Life Insurance to their employees, the employer must pay for this coverage.

## Active Membership Group Life Insurance Benefit

If you are covered and die in-service with at least one year of service credit, a payment equal to your current annual earnable compensation will be paid to your designated beneficiary or trustee. If your death results from a job-related injury, the one-year requirement is waived.

### In-Service Death

Your designated beneficiary may be entitled to receive the benefits listed below if you die as an active member:

#### **If you are under age 60 and have less than one year of service credit:**

- Active member Group Life Insurance benefit if your death was job-related; **and**
- Refund of employee contributions plus interest.

#### **If you are under age 60 and have 1-14 years of service credit:**

- Active member Group Life Insurance benefit; **and**
- Refund of employee contributions plus interest.

#### **If you have 15 or more years of service credit, five years of which must be earned service:**

- Active member Group Life Insurance benefit; **and**
- Beneficiary's choice of monthly annuity **or** refund of employee contributions plus interest.

#### **If you are age 60 or older with at least five years of earned service as of your date of death:**

- Active member Group Life Insurance benefit (must have at least one year of service); **and**
- Beneficiary's choice of monthly annuity **or** refund of employee contributions plus interest.

## Beneficiaries

You may name as many beneficiaries and/or trustees as you wish. Multiple beneficiaries share equally in survivor annuities. You may name your estate; however, monthly payments cannot be paid to an estate. As an active member, you may name trustees or contingent beneficiaries in case of death of the primary beneficiaries. All primary beneficiaries must be deceased before any contingent beneficiaries are paid. You may name separate beneficiaries and trustees, but not contingent beneficiaries, for Group Life Insurance or retiree benefits. Generally, you may change your beneficiaries at any time before retirement.

## Establishing Service Credit

While you are an active member, you may establish service credit for various types of previous employment, leaves of absences, and up to five years of non-qualified service. Descriptions of these types of service credit begin on page 6. You may purchase service credit by a lump-sum payment, an installment service purchase (after-tax, plus interest), or a tax-deferred rollover from an IRA, a 401(k) plan, a 401(a) eligible plan, a 403(b) plan, or a 457 plan.

You may purchase each type of service credit once within a fiscal year. If you are purchasing service to meet retirement eligibility, please contact the Retirement Systems for more information. **Payment for service purchases must be remitted in full prior to your retirement date or termination.**

If you are covered by state health insurance and need eligibility information, contact the Division of Insurance and Grants Services toll-free at 1-888-260-9430 (in SC only) or at 1-803-734-0678.

## Descriptions of Types of Service

### Convert Class I to Class II

If you are an SCRS member who still has Class I service, you may convert your Class I service to Class II service by paying 2.5 percent of either

your current earnable compensation or the average of your 12 highest consecutive quarters of earnable compensation, whichever is greater, for each year to be converted.

## Public Service

You may establish service credit for any period of paid public service. This is service as an employee of the government of the United States, a state, or political subdivision of the United States. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation, whichever is greater, for each year purchased. If you have established State ORP service in SCRS, your career highest salary includes your salary in either State ORP or SCRS. You may not purchase service for a period of public service for which you may receive a retirement annuity from another defined benefit retirement plan. **Student employment, other than that as a bus driver, is not eligible for purchase.**

## Educational Service

You may establish service credit for any period of paid classroom teaching consisting of grades kindergarten through 12 in a public, private, or sectarian school. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation, whichever is greater, for each year purchased. If you have established State ORP service in SCRS, your career highest salary includes your salary in either State ORP or SCRS. You may not purchase service for a period of educational service for which you may receive a retirement annuity from another defined benefit retirement plan.

## Military Service

You may establish up to six years of service credit for any period of military service. This includes service in the United States Army, Navy, Marine Corps, Air Force, Coast Guard, Select Reserves, and Army or Air National Guard. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation,



whichever is greater, for each year purchased. If you have established State ORP service in SCRS, your career highest salary includes your salary in either State ORP or SCRS. Your discharge from service must be under conditions other than dishonorable. Military service credit may not overlap earned service (service for which regular contributions have been paid to the system) or other purchased service.

## **Leave of Absence**

Active contributing members on an employer-approved leave of absence who return to covered employment within four years may purchase service credit for the employer-approved leave period, up to a maximum of two years per leave of absence. The leave of absence must be with an employer participating in the Retirement Systems. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation, whichever is greater, for each year purchased. If you have established State ORP service in SCRS, your career highest salary includes your salary in either State ORP or SCRS.

## **Workers' Compensation**

You may establish service credit for a period while on leave of absence and receiving Workers' Compensation benefits. The cost is based on contributions plus interest using your earnable compensation at the time of injury. You may also arrange in advance with your employer to continue contributing to your account while you are receiving Workers' Compensation benefits.

## **Previously Withdrawn Service**

If you left employment and received a refund of your contributions plus interest, you may reestablish this service upon returning to active membership. You must repay the amount you withdrew plus interest to the date your request is received.

## **Non-Qualified Service**

Active contributing members who have five or more years of earned service credit may establish up to five years of non-qualified service. The cost is 35 percent of current earnable compensation or career highest fiscal year earnable compensation, whichever is greater, for each year purchased. If you have established State ORP service in SCRS, your career highest salary includes your salary in either State ORP or SCRS.

## **State ORP Service**

Active contributing members may purchase service credit for their years of participation in the State ORP administered by the South Carolina Retirement Systems. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation in either SCRS or State ORP, whichever is greater, for each year of service purchased. You may not purchase service for a period of State ORP participation for which you may receive a retirement annuity from another defined benefit retirement plan.

## **Special Monthly Contributor**

If you plan to retire early with 25 years of service credit, you may elect to receive up to three additional years of service credit by paying the employee and employer contributions based on the earnable compensation amount in effect during those years. Contributions under this program begin at the time of termination from covered employment and are remitted through your previous employer on a monthly basis.

## **Service Retirement**

### **When to Apply**

You must file an application to retire; it is not automatic. We encourage you to file your application as early as six months prior to your desired effective date of retirement but no later than 90 days afterward; however, before an effective date of retirement can be established, you must be removed from your employer's payroll. Contact your employer or the Retirement Systems for a

retirement application packet. Retirement applications and other forms are also available via our Internet Web site at [www.scrs.state.sc.us](http://www.scrs.state.sc.us). If you do not receive notification of our receipt of your application within 10 days after you submitted it, please contact Customer Services. Please do not terminate employment until the Retirement Systems has audited your service credit and you receive official notice of your retirement eligibility. If you are considering retirement, you may schedule an appointment with a retirement consultant so that your service may be audited prior to your visit. Contact Customer Service to make an appointment with our Columbia office. Videoconferencing appointments are available through certain employers. The Retirement Systems also offers a series of *Ready...Set...Go!* retirement seminars through your employer. Sessions are held regionally in the spring and the fall. Contact your employer or Customer Services for seminar dates.

## Eligibility

You may retire in one of the following ways (see **Correlated Systems** on page 2 if you have an account in more than one retirement system):

### **Normal Retirement (Unreduced Annuity):**

- **Age 65; or 28 years of service credit, five years of which must be earned service.**

### **Early Retirement (Reduced Annuity):**

- **Age 60 with at least five years of earned service.** Your annuity is permanently reduced 5 percent for each year of age less than 65 (partial years are prorated); **or**
- **Age 55 or older with 25 years of service credit, five years of which must be earned service.** Your annuity is permanently reduced 4 percent for each year of service credit less than 28 (partial years are prorated). **Cost-of-living increase restrictions apply (see Page 18).**

## TERI Program

Active members of SCRS who are eligible for service retirement may elect to participate in the TERI program. TERI allows you to retire and begin accumulating your retirement annuity on a deferred basis without terminating employment. You must enroll at the time of retirement.

By participating in TERI, you may defer receipt of your retirement annuity for up to five years. As a TERI participant, your monthly retirement annuity is deferred and is accumulated in your TERI account. Upon termination of employment, or at the end of your TERI period, whichever is earlier, you may receive the balance in your TERI account in either a single-sum distribution payable directly to you or through a rollover into a qualified retirement plan. **Any distribution paid directly to you is subject to ordinary federal and state income taxes and may be subject to an additional 10 percent federal early withdrawal penalty.**

Retiree cost-of-living increases are applied to a TERI participant's monthly annuity in the same manner in which other retirees receive increases. No interest is paid on annuity benefits accumulated in your TERI account. Since TERI participants are considered "retired," no retirement contributions are deducted on wages that you earn from active employment and you do not earn additional service credit. During your TERI period, you are not covered under the active member Group Life Insurance program and are not eligible for disability retirement. You may participate in TERI only once. TERI participants are exempt from the service retirement earnings limitation during their TERI period.

If you die while participating in TERI, the total amount of your annuity accumulated in your TERI account will be distributed to the beneficiary designated for your retirement annuity. A surviving spouse who is designated as beneficiary may elect to roll over the taxable portion of the TERI balance into an IRA, a 401(k) plan, a 401(a)

eligible plan, a 403(b) plan, or a 457 plan. If you are interested in participating in the TERI program, please contact your employer or the Retirement Systems for more information.

## Service Retirement Option A

### Annuity Formula

The following four-step formula is used to calculate your standard monthly annuity (Option A). Choosing Option B or Option C to provide a future annuity for beneficiaries will reduce the amount of your monthly annuity.

**Step 1** Total your 12 highest consecutive quarters of earnable compensation and divide by 3.

The result of Step 1 is your average final compensation (AFC). The dollar amount of up to 45 days of unused annual leave may be included before averaging your 12 highest consecutive quarters of earnable compensation. Quarters are broken down as follows: January - March, April - June, July - September, and October - December.

**Step 2** Multiply the result of **Step 1** by 1.82 percent (.0182) for Class II service or by 1.45 percent (.0145) for Class I service.

**Step 3** Multiply the result of **Step 2** by years, months, and days of creditable service.

Convert months to days and divide the total days by 360 to determine a decimal equivalent for partial years. For example, 25 years, 2 months and 10 days equals 25 years, 70 days (60 + 10).  $70 \div 360 = .19$ . This amounts to 25.19 years of service.

**Step 4** Divide the result of **Step 3** by 12.

### Example

Average final compensation (AFC) = \$25,000

Creditable retirement service = 28 years

$\$25,000 \times 1.82\% (.0182) = \$455$

$\$455 \times 28 = \$12,740$  annual retirement annuity

$\$12,740 \div 12 = \$1,061.67$  standard monthly annuity

If your retirement is considered early based on either your age or years of creditable service, your annuity will be reduced.

## Unused Leave At Retirement

### Annual Leave

At retirement, the payment for up to 45 days of unused annual leave may be included before averaging your 12 highest consecutive quarters of earnable compensation (see Step 1 of the annuity formula on page 11). This leave amount is paid by your employer and is reported after retirement. If participating in TERI, the amount used for retirement purposes will reduce the balance available to you through your TERI employer.

### Sick Leave

At retirement, you may receive service credit for up to 90 days of unused sick leave from your last employer at no cost to you (see Step 3 of the annuity formula on page 11). This service credit cannot be used to establish eligibility for retirement. Sick leave is reported by your employer after retirement. One month of service credit is granted for each 20 days of sick leave.

**Your first few retirement checks will be estimated. After retirement, your account will be finalized with annual leave payments, sick leave credit, and final account contributions. Your annuity will be adjusted retroactive to your date of retirement, if applicable.**

## Your Average Final Compensation

Your average final compensation (AFC) is an important part of the formula used to calculate your retirement benefit. When you retire, your first several benefit checks will be based on information received up to that point. This is called estimated status.

After your employer submits your final earnable compensation information, retirement contributions for your 12 highest consecutive quarters of earnable compensation will be audited. Your AFC may be adjusted after the audit if any of the

contributions included in the AFC calculation were for any payments not considered a part of your regular salary base. Your benefit also will be adjusted accordingly to include unused sick leave or payment for your unused annual leave. This is finalized status.

So, as a result of the information received from your employer and the audit of the contributions for your 12 highest consecutive quarters of earnable compensation, your finalized benefit may be less than, or more than, your estimated benefit. Releasing your benefit in estimated status ensures that you begin receiving a benefit as soon as possible; however, it does not necessarily reflect your finalized benefit.

### Approximate Percentages of Average Final Compensation

The information below is based on the standard annuity payment plan (Option A). Choosing Options B or C to provide a future annuity for beneficiaries will reduce the amount of your monthly annuity.

Service and Age	Percentage	Type of Benefit
25 years at age 55	40%	Reduced Early Retirement
26 years at age 55	44%	Reduced Early Retirement
27 years at age 55	47%	Reduced Early Retirement
28 years at any age	51%	Normal Retirement
29 years at any age	53%	Normal Retirement
30 years at any age	55%	Normal Retirement

### Approximate Option A Monthly Annuity at Retirement

The information at the top of page 14 is based on the standard annuity payment plan (Option A). Choosing Options B or C to provide a future annuity for beneficiaries (or retiring with SCRS early retirement reductions\*) will reduce the amount of your monthly annuity.

AFC	Years of Service						Additional Monthly Benefit for Each Additional Year
	25*	26*	27*	28	29	30	
<b>\$15,000</b>	\$ 569	\$ 592	\$ 614	\$ 637	\$ 660	\$ 683	\$ 23
<b>20,000</b>	758	789	819	849	880	910	30
<b>25,000</b>	948	986	1,024	1,062	1,100	1,138	38
<b>30,000</b>	1,138	1,183	1,229	1,274	1,320	1,365	46
<b>35,000</b>	1,327	1,380	1,433	1,486	1,539	1,593	53
<b>40,000</b>	1,517	1,577	1,638	1,699	1,759	1,820	61
<b>45,000</b>	1,706	1,775	1,843	1,911	1,979	2,048	68
<b>50,000</b>	1,896	1,972	2,048	2,123	2,199	2,275	76
<b>55,000</b>	2,085	2,169	2,252	2,336	2,419	2,503	83
<b>60,000</b>	2,275	2,366	2,457	2,548	2,639	2,730	91
<b>65,000</b>	2,465	2,563	2,662	2,760	2,859	2,958	99
<b>70,000</b>	2,654	2,760	2,867	2,973	3,079	3,185	106
<b>75,000</b>	2,844	2,958	3,071	3,185	3,299	3,413	114
<b>80,000</b>	3,033	3,155	3,276	3,397	3,519	3,640	121
<b>85,000</b>	3,223	3,352	3,481	3,610	3,739	3,868	129
<b>90,000</b>	3,413	3,549	3,686	3,822	3,959	4,095	137
<b>95,000</b>	3,602	3,746	3,890	4,034	4,178	4,323	144
<b>100,000</b>	3,792	3,943	4,095	4,247	4,398	4,550	152
<b>105,000</b>	3,981	4,141	4,300	4,459	4,618	4,778	159
<b>110,000</b>	4,171	4,338	4,505	4,671	4,838	5,005	167

\* SCRS early retirement deductions apply if you retire with fewer than 28 years of service credit.

## Payment Plans at Retirement

There are three monthly annuity payment plans available to you at retirement. Select the one that best suits your needs. Your selection may not be changed after benefit payments have begun; however, if your marital status changes (death, divorce, marriage), contact the Retirement Systems immediately to find out your options.

### Payment Plans

#### Option A (Maximum Retiree Only Monthly Annuity Plan)

This plan will pay you a standard lifetime annuity based on your average final compensation, years of service, and a multiplier (.0182 for Class II or .0145 for Class I). The annuity formula is



explained further on pages 11 and 12. Upon your death, the Retirement Systems will return, through a lump-sum payment to your beneficiary or your estate, the balance of member contributions and interest not paid to you in annuity benefits during your retirement.

### **Option B (100% - 100% Joint Retiree-Survivor Monthly Annuity Plan)**

You will receive a reduced (from Option A) monthly annuity for life. Upon your death, the same annuity (100 percent of your reduced monthly annuity, including granted cost-of-living increases) will continue throughout your beneficiary's lifetime. If your designated beneficiary predeceases you, your annuity will revert to Option A, including any cost-of-living increases granted since your retirement date.

### **Option C (100% - 50% Joint Retiree-Survivor Monthly Annuity Plan)**

You will receive a reduced (from Option A) monthly annuity for life. Upon your death, one-half of the annuity (50 percent of your reduced monthly annuity, including granted cost-of-living increases) will continue throughout your beneficiary's lifetime. If your designated beneficiary predeceases you, your annuity will revert to Option A, including any cost-of-living increases granted since your retirement date.

### **If You Choose Option B or Option C**

If you choose Option B or Option C and name multiple beneficiaries, your annuity will be divided equally among them. The annuity will not change for the remaining beneficiaries if one beneficiary dies, either before or after the member dies. If you select Option B or Option C and all of your designated beneficiaries predecease you, your annuity will revert to Option A effective on the date the last beneficiary died. You must notify the Retirement Systems upon the death of a beneficiary.

# Disability Retirement Information

If you are an SCRS member who is in service (see page 1) with at least five years of earned service credit, you may apply for disability retirement if your disability is likely to be permanent and you are still on your employer's payroll. Service will be projected to age 65 with an applicable actuarial reduction. The five-year requirement is waived if you can substantiate that your disability is the result of a job-related injury. **You should file your application for disability retirement as soon as you become disabled and before you are removed from your employer's payroll.** If you do not receive notification of our receipt of your application within 10 days after you submitted it, please contact Customer Services. If approved, the effective date for annuity benefits will be the 30th day after your application is received by the Retirement Systems or the day after your last day on your employer's payroll, whichever is later. Disability retirement applications are subject to a detailed evaluation and a Retirement Systems Medical Board review for approval.

Periodic medical reexaminations may be required up to age 65. Your disability annuity is subject to being discontinued or reduced if you regain a certain earning capacity. At age 65, the same earnings limitation amounts will apply as for a service retiree. For more information, refer to the disability retirement brochure available from your employer or from the Retirement Systems.

## Post-Retirement Information

### Retirement Checks

Retirement checks are deposited directly into your bank account or mailed the last business day of each month. If your check is mailed and has not arrived within five business days, notify the Retirement Systems in writing. Endorse all checks as drawn. If someone else must endorse your

checks, notify the Retirement Systems immediately. It is also very important to notify the Retirement Systems in writing of any change of your home mailing address. We encourage all retirees to take advantage of direct deposit. It takes about two months to initiate a direct deposit request, but it's worth it for the convenience and safety of your money.

## Returning to Covered Employment

As a service (not disability) retiree, you may work for an employer not covered by the Retirement Systems, such as in the private sector, and earn any amount without affecting your retirement annuity. **If you have been retired for at least 60 days, you may return to work for an employer covered by the Retirement Systems and earn up to \$50,000 this fiscal year (July 1, 2003 - June 30, 2004) without affecting your retirement annuity. If you exceed this limit and continue to work, your retirement annuity will be discontinued for the remainder of the fiscal year. If you return to covered employment sooner than 60 days after retirement, your retirement annuity will be suspended while you remain employed by a covered employer.** Please see our disability retirement brochure for disability retirement earnings limitation information.

TERI participants are exempt from the retiree earnings limitation during their TERI period. If you are a TERI participant, your date of retirement is the starting date of your TERI period.

The Department of Education may approve an annual exemption from the earnings limitation for certain teachers hired in a geographical or academic critical needs area.

If you work 48 continuous months for a covered employer with an annual salary of at least 75 percent of the AFC used to calculate your retirement annuity, you may again join SCRS. If you rejoin, you may repay your retirement annuity and purchase service credit for that 48-month period by making a payment equal to the amount

you would have contributed plus the interest your contributions would have accrued if you had been an active member. Your subsequent retirement annuity will be computed as if you are retiring for the first time.

## Cost-of-Living Adjustments

Cost-of-living adjustments (COLAs) are not guaranteed. The Retirement Systems’ actuary must first determine whether funding requirements have been met, then the State Budget and Control Board must approve the COLA. If approved, COLAs are calculated as follows: your monthly annuity is increased by 4 percent each July 1st provided your retirement was in effect the previous July 1st and the Consumer Price Index (CPI) increased at least 4 percent during the previous calendar year. If the CPI increased less than 4 percent, your COLA will be equal to the CPI increase. If you retire early, you are not eligible for COLAs until the second July 1st after you reach age 60 or the second July 1st after the date you would have attained 28 years of service credit had you not retired.

## Retiree Group Life Insurance

As a retiree, if you die and your last employer prior to retirement is covered by the Group Life Insurance program (see **Group Life Insurance** on page 3), a benefit based on your service credit will be paid to your beneficiaries as follows:

Years of Service Credit	Benefit
10 to 19 years of service credit	\$2,000
20 to 27 years of service credit	\$4,000
28 or more years of service credit	\$6,000

## Beneficiary and Option Changes

### Retiree Group Life Insurance

You may change your Retiree Group Life Insurance beneficiary at any time regardless of the payment plan you selected.

## **Option A**

You may change your beneficiary at any time. If you have a change in marital status, you may also select a new option within one year of the change in marital status.

## **Option B and Option C**

If all of your beneficiaries predecease you, your annuity will revert to Option A effective on the date the last beneficiary died. You must notify the Retirement Systems upon the death of a beneficiary. You may then select a new beneficiary under Option A. If you have a change in marital status, you may select a new option within one year of the change in marital status.

## **Change in Marital Status**

If your spouse dies after you retire, if you marry, or if you divorce, you may revoke your current payment plan and select a new option within one year of the change in marital status. Estimates of adjusted benefits under a new option are available from the Retirement Systems upon request.

## **Number of Changes**

Your form of monthly payment may not be changed more than twice, regardless of the number of events (death of a designated beneficiary or change in marital status) that occur. A reversion to Option A upon the death of your beneficiary will count as one of the two changes. If a second beneficiary predeceases you after you have again selected Option B or Option C, you will revert automatically to Option A; however, no further form of payment changes will be allowed. Changes in form of payment occurring before January 1, 2001, are not included in the limitation provision.

## **Taxes**

Your monthly annuity is subject to federal and state income taxes, but there is a South Carolina state income tax deduction for retirement income based on your age. If you do not have taxes withheld from your retirement check, you may need to file estimated taxes each quarter. Check with an accountant or tax advisor regarding your tax liability.

# **Need to Contact Us?**

## **Mailing Address**

South Carolina Retirement Systems  
P.O. Box 11960  
Columbia, SC 29211-1960

## **Location**

Fontaine Business Center  
202 Arbor Lake Drive  
Columbia, South Carolina 29223

## **Office Hours**

8:15 AM - 5:00 PM

## **Customer Services**

1-803-737-6800  
1-800-868-9002 (SC only)  
cs@scrs.state.sc.us

## **Internet Web Site**

[www.scrs.state.sc.us](http://www.scrs.state.sc.us)

# **Need to Find Us?**

Directions to and maps illustrating our location are included on page 2 and are also available on the Retirement Systems' Internet Web site at [www.scrs.state.sc.us](http://www.scrs.state.sc.us). Highway signs have been installed on SC-277 and on Fontaine Road that should help you locate our office quite easily.

## **Directions from Downtown Columbia**

The Retirement Systems' office is located at 202 Arbor Lake Drive, approximately five miles north of Columbia. If you wish to reach our office from downtown Columbia, head north on the Bull Street Extension, which becomes SC-277, and exit right onto Fontaine Road. Then turn right on Fontaine Road, and make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

## Directions from the Interstate

### From I-20 (Augusta or Florence)

Take Exit 73-A onto SC-277 toward Columbia and exit at Fontaine Road. Then turn right on Fontaine Road, and make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

### From I-26 East (Spartanburg)

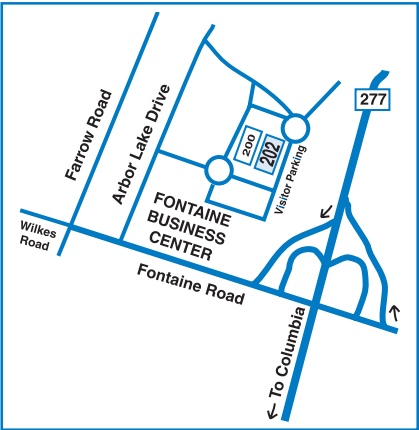
Take I-20 East toward Florence and take Exit 73-A onto SC-277 toward Columbia. Exit at Fontaine Road and turn right. Make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

### From I-26 West (Charleston)

Take Exit 116 (I-77 North) toward Charlotte and exit onto I-20 toward Augusta (Exit 16). Take Exit 73-A onto SC-277 toward Columbia and exit at Fontaine Road. Then turn right onto Fontaine Road, and make another right into the Fontaine Business Center (Arbor lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

### From I-77 South (Charlotte)

Take Exit 18 onto SC-277. Exit at Fontaine Road and turn right. Make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.



# Notes

## **State Budget and Control Board**

**Mark Sanford, Chairman**

*Governor*

**Grady L. Patterson, Jr.**

*State Treasurer*

**Richard Eckstrom**

*Comptroller General*

**Hugh K. Leatherman, Sr.**

*Chairman, Senate Finance Committee*

**Robert W. Harrell, Jr.**

*Chairman, Ways and Means Committee*

**Frank W. Fusco**

*Executive Director*

## **South Carolina Retirement Systems**

**Peggy G. Boykin, CPA**

*Director*